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11 **UNITED STATES DISTRICT COURT**
12 **SOUTHERN DISTRICT OF CALIFORNIA**

13 FLOWRIDER SURF, LTD., a
14 Canadian corporation; and SURF
15 WAVES, LTD., a company
incorporated in the United Kingdom,

16 Plaintiffs,

17 vs.

18 PACIFIC SURF DESIGNS, INC, a
Delaware corporation,

19 Defendant.

20 CASE NO. 3:15-cv-01879-BEN-BLM

21 **DEFENDANTS SUBMISSION OF**
SUPPORT FOR ACCOUNTING OF
ATTORNEYS' FEES AND COSTS
REQUESTED BY THIS COURT'S
ORDER [DKT. 308]

22 The Hon. Roger T. Benitez
Courtroom 5A

1 It is undisputed that defendant Pacific Surf Designs, Inc. (“PSD”) prevailed in
2 this action. After prevailing, upon a proper motion brought by PSD [Dkt. 282], the
3 Court found this case exceptional under the fee shifting provision of 35 U.S.C. §
4 285 [Dkt. 308].

6 **I. PSD REQUESTS ALL ATTORNEYS’ FEES AND COSTS AS THE
7 PREVAILING PARTY UNDER THE FEE SHIFTING PROVISION OF
8 35 U.S.C. § 285.**

9 In accounting for attorneys’ fees and costs, PSD requests the Court award all
10 fees and costs for defending this litigation against defendants Flowrider Surf, LTD.
11 and Surf Waves LTD.

12 “In determining a reasonable amount of time spent, the Court should only
13 award fees based on ‘the number of hours reasonably expended on the litigation’
14 and exclude ‘hours that are excessive, redundant, or otherwise unnecessary.’
15 [citations omitted].” *Kilopass Tech., Inc. v. Sidense Corp.*, 82 F. Supp. 3d 1154,
16 1165 (N.D. Cal. 2015) “The court necessarily has discretion in making this equitable
17 judgment. [citations omitted].” *Id.* There are two circumstances which the federal
18 court has stated a full award of fees may not be warranted. These situations are: “(1)
19 when litigation misconduct is the sole basis for deeming a case ‘exceptional,’ and
20 (2) cases where the injured party only partially prevails on the patent claims at
21 issue.” *Id.* at 1166. Neither of these limiting scenarios applies. Pursuant to PSD’s
22 Renewed Motion for Attorney’s Fees [Dkt. 282]. PSD requested the court award all
23 fees and costs because of (1) the weakness of the defendants’ patent infringement
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1 positions, and (2) the manner in which defendants litigated this action. This Court
2 found the case was exceptional for both reasons. *Order Granting in Part and*
3 *Denying In Part Defendant's Renewed Motion for Attorneys' Fees and Costs* [Dkt.
4 308 at 5:18-6:5]. Therefore, the first limiting scenario does not apply. Second, "the
5 Court entered judgment in favor of Defendant as to the entire action." *Id.* (Emphasis
6 on footnote 3). Thus, the second limiting scenario does not apply because PSD did
7 not partially prevail, but in fact, prevailed in the entire action.

8
9 Considering this, PSD seeks an award of all attorneys' fees and costs for the
10 entire action based upon the fee shifting provision 35 U.S.C. §285. There are four
11 components required to fully compensate PSD under §285: (1) the fees and costs
12 incurred by Troutman Sanders in defending this case; (2) the fees incurred by
13 Troutman Sanders in responding to the Court's Order, (3) the fees incurred by
14 Thomas Whitelaw in responding to the Court's Order; and (4) the fees and costs
15 incurred by Kaufman Dolowich in the May 1, 2014 predecessor cases filed by the
16 same defendants, on the same patents, against PSD.

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21 **A. The fees and costs incurred by Troutman Sanders in defending this
22 case.**

23 Attached hereto as Exhibit A to the Declaration of Charanjit Brahma is a
24 complete accounting of all fees and costs incurred by PSD from Troutman Sanders
25 in defending this suit against Flowrider Surf, Ltd. As shown in Exhibit A, the total
26 amount of attorneys' fees and costs equal \$ 2,466,709. *Id.* As set forth in the
27 Declaration of C. Brahma, an additional \$14,875 is due for cost of the expert, Mr.
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2 **B. The fees incurred by Troutman Sanders in responding to the**
3 **Court's Order.**

4 Attached hereto as Exhibit C to the Declaration of Charanjit Brahma is a
5 complete accounting of all fees incurred by PSD from Troutman Sanders'
6 preparation and assistance in responding to the Court's Order. As shown in Exhibit
7 C, the total amount of attorneys' fees equals \$18,495.

8 **C. The fees and costs incurred by Thomas Whitelaw in responding to**
9 **the Court's Order.**

10 Attached hereto as Exhibit E to the Declaration of Joseph Thomas is a
11 complete accounting of all fees incurred by PSD from Thomas Whitelaw in
12 responding to the Court's Order and other fees since becoming lead counsel in
13 October 2019. As shown in Exhibit E, the total amount of attorneys' fees and costs
14 equals \$ 224,355.

15 **D. The fees and costs incurred by Kaufman Dolowich in predecessor**
16 **cases.**

17 Prior to the instant case, on May 1, 2014 Surf Waves Ltd. filed a case
18 asserting the '016 patent against PSD, and Flowrider Ltd. filed a separate case
19 asserting the '589 patent against PSD. These cases were filed by the same law firm
20 as with this case, and raised the same infringement allegations. PSD engaged the
21 law firm of Kaufman Dolowich to defend against the infringement accusations in
22 both cases. These cases were voluntarily dismissed after little more than a month.
23 As such, these prior cases are simply an extension of the unreasonable litigation

1 conduct the Court found in this case. Accordingly, the fees and costs that PSD
 2 incurred in these two prior cases are appropriately awarded in this case. The fees
 3 and costs incurred in the Surf Waves case (with regard to the '016 patent) are
 4 identified in Exhibit F1, which total \$30,471. The fees and costs incurred in the
 5 Flowrider case (with regard to the '589 patent) are identified in Exhibit F2, which
 6 total \$4,281.
 7

9 Below is a summary of all fees and costs that are appropriately awarded for a
 10 finding that this case is exceptional under §285.
 11

| ACTIVITY | AMOUNT |
|-----------------------------------------------------------------------|---------------------|
| Troutman Sanders fees and costs to defend this case (Ex. A) | \$2,466,709 |
| Expert costs (Brahma Dec, §A ¶ 4-10) | \$ 14,875 |
| Troutman Sanders fees and costs to respond to the Court Order (Ex. C) | \$ 18,495 |
| Thomas Whitelaw fees and costs (Ex. E) | \$ 224,355 |
| Kaufman Dolowich Fees for prior Surf Waves matter (Ex. F1) | \$ 30,471 |
| Kaufman Dolowich Fees for prior Flowrider matter (Ex F2) | \$ 4,281 |
| TOTAL | \$ 2,759,186 |

26 Accordingly, if the Court finds that PSD should be fully compensated for its
 27 finding this case exceptional under §285, the Court should award PSD \$ 2,759,186.
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1 **II. ALTERNATIVELY, PSD REQUESTS THE COURT ALLOCATE
2 COSTS IN THE REASONABLE MANNER IN WHICH PSD
3 OUTLINED IN ITS SUPPORTING DECLARATION.**

4 In the event that the Court finds that PSD is not entitled to all attorneys' fees
5 and costs, and instead allocates the award between the '016 patent and the '589
6 patent, PSD submits an alternative allocation of attorney's fees.

7 Attached hereto as Exhibit B1 to the Declaration of Charanjit Brahma is an
8 accounting of Troutman Sanders attorneys' fees and costs directed to litigation tasks
9 with regard to the '016 patent. The total fees allocated to only the '016 patent equals
10 \$494,622, plus costs of \$31,140, for a total of \$525,762. (Brahma Decl. at ¶ 14-17).
11 PSD submits that these fees and costs should be distributed at a 100% allocation
12 based upon the Court's finding this case to be exceptional for litigation conduct
13 regarding the '016 patent.

14 Attached hereto as Exhibit B2 to the Declaration of Charanjit Brahma is an
15 accounting of Troutman Sanders attorney's fees and costs directed to litigation tasks
16 for both the '016 patent and the '589 patent prior to June 1, 2017, which was the
17 filing date of the later case specific to the '589. (Brahma Decl. at ¶ 18-25). PSD
18 submits that a 67% split in favor of awarding fees is proper. *Id.* PSD came to this
19 distribution by analyzing documents and litigation activities, as set out in the
20 Declaration of C. Braham. *Id.* In making this allocation, PSD determined that these
21 mixed tasks including activities and efforts specific to the '016 patent, activities and
22 efforts specific to the '589 patent, and activities and efforts that would have been
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1 incurred whether or not the '589 patent was ever in this case. For example, a claim
2 construction brief has an expensive legal section that sets out the current law on
3 claim construction, which would be required even if the '589 patent was not in the
4 case at all. In this way, a 50-50 allocation is unfair to PSD, as there are significant
5 activities, efforts, and tasks that are required, even for a one-patent suit. In another
6 example, discovery has significant aspects that would also be required if the '589
7 patent were not in the case. After evaluating documents and the case file, PSD
8 believes an allocation of 33% is appropriate for '589 patent specific activity. In this
9 way, 67% of the mixed billing is reasonably allocated to the '016 patent.

10 As shown in Exhibit B2, (1) Troutman Sanders LLP attorney fees, (2)
11 Troutman Sanders eMerge fees, and (3) costs total \$1,628,479. Applying the 67%
12 allocation results in PSD being owed \$1,091,081.

13 Attached hereto as Exhibit B3 to the Declaration of Charanjit Brahma is an
14 accounting of Troutman Sanders attorney's fees and costs directed to litigation tasks
15 for both the '016 patent and the '589 patent after June 1, 2017, which was the filing
16 date of the case specific to the '589 patent. (Brahma Decl. at ¶ 26-29). PSD submits
17 that a 67% split in favor of awarding fees is proper. *Id.* For the same reasons set
18 forth with regard to Exhibit B2, PSD believes an allocation of 33% is appropriate to
19 the '589 patent such that 67% is reasonably allocated to the '016 patent. However,
20 no eMerge attorney fees or costs are sought for this time period.

21 As shown in Exhibit B3, Troutman Sanders LLP attorney fees total \$250,905.

1 With a 67% allocation to the '016 patent, PSD is owed \$168,106. In the attached
2 Declaration of C. Brahma, the expert costs have been reduced to remove activity
3 directed to the '589 patent. Accordingly, the allocation of expert fees to the '016
4 patent is \$12,969.

6 **A. The fees incurred by Troutman Sanders in responding to the
7 Court's Order.**

8 Attached hereto as Exhibit C to the Declaration of Charanjit Brahma is a
9 complete accounting of all fees incurred by PSD from Troutman Sanders'
10 preparation and assistance in responding to the Court's Order. As shown in Exhibit
11 C, the total amount of attorneys' fees equals \$18,495.

13 **B. The fees and costs incurred by Thomas Whitelaw in responding to
14 the Court's Order.**

15 Attached hereto as Exhibit E to the Declaration of Joseph Thomas is a
16 complete accounting of all fees incurred by PSD from Thomas Whitelaw's in
17 responding to the Court's Order and other fees since becoming lead counsel in
18 October 2019. As shown in Exhibit E, the total amount of attorneys' fees and costs
19 equals \$ 224,355.

21 **C. The fees and costs incurred by Kaufman Dolowich in predecessor
22 cases.**

23 Prior to the instant case, on May 1, 2014 Surf Waves Ltd. filed a case
24 asserting the '016 patent against PSD. This case was filed by the same law firm as
25 with this case, and raised the same infringement allegations. PSD engaged the law
26 firm of Kaufman Dolowich to defend against the infringement accusations regarding
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1 the '016 patent. This case was voluntarily dismissed after little more than a month.
 2 As such, this prior case is simply an extension of the unreasonable litigation conduct
 3 the Court found in this case with regard to the '016 patent. Accordingly, the fees and
 4 costs that PSD incurred are appropriately awarded in this case. The fees and costs
 5 incurred in the Surf Waves case (with regard to the '016 patent) are identified in
 6 Exhibit F1, which total \$30,471.
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9 Below is a summary of all fees and costs that are appropriately awarded for a
 10 finding that this case is exceptional under §285 where the Court finds it necessary to
 11 reduce the award to reflect activity and tasks directed to the '589 patent.
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| ACTIVITY | AMOUNT |
|-----------------------------------------------------------------------------------------------------------|-------------|
| Fees and costs directed only to '016 activities (Ex. B1), allocated at 100% | \$ 525,762 |
| Mixed fees and costs directed to '016 and '589 activities (Ex. B2), before June 2017 and allocated at 67% | \$1,091,081 |
| Mixed fees directed to '016 and '589 activities (Ex. B3), after June 2017 and allocated at 67% | \$ 168,106 |
| Troutman Sanders fees and costs to respond to the Court Order (Ex. C) | \$ 18,495 |
| Expert costs (Brahma Dec, §B), allocated | \$ 12,969 |
| Thomas Whitelaw fees and costs (Ex. E) | \$ 224,355 |
| Kaufman Dolowich Fees for prior Surf | \$ 30,471 |

| | |
|-------------------------|---------------------|
| 1 Waves matter (Ex. F1) | |
| 2 TOTAL | \$ 2,040,768 |

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4 Accordingly, if the Court finds that PSD should be only partially
5 compensated for its finding this case exceptional under §285, the Court should
6
7 award PSD \$ 2,040,768.

8 **III. CONCLUSION**

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10 The Court has found this case exceptional. To compensate PSD properly for
11 litigating this case and deter future unwarranted litigation, an award of all attorneys'
12 fees and costs is proper and just as set forth in Section I above. Alternatively, PSD
13 should be awarded fees and costs as allocated in Section II above.

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15 Dated: March 30, 2020

16 Respectfully submitted,

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18 THOMAS WHITELAW & KOLEGRAFF LLP

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20 By: /s/ Joseph E. Thomas

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22 JOSEPH E. THOMAS

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24 Attorneys for Pacific Surf Designs, Inc.

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the foregoing document has been served on March 30, 2020, to all counsel of record who are deemed to have consented to electronic service via the Court's CM/ECF system per Civil Local Rule 5.4. Any counsel of record who have not consented to electronic service through the Court's CM/ECF system will be served by electronic mail, first class mail, facsimile and/or overnight delivery.

Dated March 30, 2020

By: /s/ Tierra Mendiola

Thomas Whitelaw & Kolegraaff